

104TH CONGRESS
1ST SESSION

H. R. 767

To improve budgetary information by requiring that the unified budget presented by the President contain an operating budget and a capital budget, distinguish between Federal funds and trust funds, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1995

Mr. CLINGER (for himself and Mr. WISE) introduced the following bill; which was referred to the Committee on Government Reform and Oversight and, in addition, to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve budgetary information by requiring that the unified budget presented by the President contain an operating budget and a capital budget, distinguish between Federal funds and trust funds, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Budget Struc-
5 ture Act of 1995”.

1 **SEC. 2. STATEMENT OF FINDING AND PURPOSE.**

2 (a) STATEMENT OF FINDING.—Congress finds that
3 the existing budget obscures the distinctions between cap-
4 ital activities and operating activities, and between Fed-
5 eral funds and trust funds so as to hinder identifying the
6 resources needed to meet the Government’s needs.

7 (b) PURPOSE.—It is the purpose of this Act that the
8 unified budget present a capital budget and an operating
9 budget, and distinguish between Federal funds and trust
10 funds, in order to provide better and more relevant infor-
11 mation on the revenues, expenses, and financing require-
12 ments of Government programs and activities.

13 **SEC. 3. CAPITAL AND OPERATING BUDGETS.**

14 Title 31, United States Code, is amended by inserting
15 after section 1105 the following new section:

16 **“§ 1105a. Capital and operating budgets**

17 “(a)(1) The budget of the United States submitted
18 by the President under section 1105 of this title shall be
19 a unified budget composed of an operating budget and a
20 capital budget.

21 “(2) Operating and capital budgets shall be presented
22 separately for total funds, Federal funds, and trust funds.

23 “(b)(1) Actual, estimated, and proposed amounts
24 shall be presented for total funds, Federal funds, and trust
25 funds and, at a minimum, shall contain—

1 “(A) for the operating budget the following: (i)
2 operating revenues, (ii) operating expenses, (iii) op-
3 erating surplus/deficit before interfund transfers,
4 (iv) interfund transfers, and (v) operating surplus/
5 deficit;

6 “(B) for the capital budget the following: (i)
7 capital revenues, (ii) capital investments, (iii) net
8 capital investments, (iv) interfund transfers, and (v)
9 capital financing requirements;

10 “(C) items not affecting funds; and

11 “(D) unified budget financing requirements.

12 “(2) The capital budget shall represent only the
13 major activities, projects, and programs which support the
14 acquisition, construction, alteration, and rehabilitation of
15 capital assets. All other activities, projects, and programs
16 shall be represented in the operating budget.

17 “(c) In addition to the unified budget submitted by
18 the President as required by subsections (a) and (b) of
19 this section, the President shall present information in the
20 form required by subsection (b)(1) for accounts, agencies,
21 and functions, to the extent applicable.

22 “(d) In this section—

23 “(1) ‘unified budget’ means a budget in which
24 revenues and expenses for Federal funds and trust

1 funds are consolidated to display totals for the Fed-
2 eral Government as a whole;

3 “(2) ‘trust funds’ means—

4 “(A) the Federal Old-Age and Survivors
5 Insurance Trust Fund,

6 “(B) the Federal Hospital Insurance Trust
7 Fund,

8 “(C) the Civil Service Retirement and Dis-
9 ability Fund,

10 “(D) the Military Retirement Fund,

11 “(E) the Federal Supplementary Medical
12 Insurance Trust Fund,

13 “(F) the Unemployment Trust Fund,

14 “(G) the Federal Disability Insurance
15 Trust Fund, and

16 “(H) such other funds or accounts of the
17 Government that the Director of the Office of
18 Management and Budget, in consultation with
19 the Comptroller General, determines should be
20 classified as trust funds in order to fulfill the
21 purpose of this section;

22 “(3) ‘Federal funds’ includes all accounts of the
23 Government that are not trust funds;

24 “(4) ‘total funds’ means Federal funds and
25 trust funds and represents the unified budget;

1 “(5) ‘capital assets’ means physical assets and
2 financial assets, but does not include consumable
3 inventories;

4 “(6) ‘physical assets’ means tangible assets
5 whose ownership is or will be in the public domain;
6 which typically produce services or benefits, includ-
7 ing for national defense and security, for more than
8 2 years; and which have an initial cost equal to or
9 more than \$100,000; such assets include, but are
10 not limited to—

11 “(A) roadways and bridges;

12 “(B) airports and airway facilities;

13 “(C) mass transportation systems;

14 “(D) waste water treatment and related
15 facilities;

16 “(E) water resource projects;

17 “(F) medical facilities;

18 “(G) resource recovery facilities;

19 “(H) public structures;

20 “(I) space and communication facilities;

21 “(J) defense facilities;

22 “(K) major weapons platforms; and

23 “(L) strategic petroleum reserves and min-
24 eral stockpiles;

1 “(7) ‘financial assets’ means interests of the
2 Federal Government in, and claims of the Federal
3 Government against, foreign governments, States
4 and their political subdivisions, corporations, asso-
5 ciations, and individuals and their resources which
6 are represented by a legal instrument (such as
7 bonds, debentures, notes, and other securities), less
8 any credit subsidy costs attributable to such finan-
9 cial assets;

10 “(8) ‘credit subsidy costs’ means the losses in-
11 curred by the Federal Government as a result of its
12 direct and guaranteed loans, including such costs as
13 interest and default;

14 “(9) ‘consumable inventories’ means tangible
15 assets of the Federal Government, including stock-
16 piles, supplies, and inventories, which typically are
17 consumed within 2 years or which have an initial
18 price less than \$100,000;

19 “(10) ‘operating revenues’ means all receipts of
20 the Federal Government, other than those identified
21 in paragraph (16), including profits and interest
22 earned on financial assets;

23 “(11) ‘operating expenses’ means all expenses
24 of the Federal Government, other than those identi-
25 fied in paragraph (17), including interest payments

1 on debts, asset consumption charge, and credit sub-
2 sidy costs;

3 “(12) ‘the operating surplus/deficit before
4 interfund transfers’ means the difference between
5 operating revenues and operating expenses before
6 interfund transfers;

7 “(13) ‘interfund transfers’ means the flow of
8 revenues between Federal funds and trust funds ac-
9 counts that are expenses from the account making
10 the payments and revenues to the account receiving
11 the payments;

12 “(14) ‘operating surplus/deficit’ means the op-
13 erating surplus/deficit before interfund transfers
14 plus or minus interfund transfers;

15 “(15) ‘asset consumption charge’ means the
16 systematic allocation of the original cost—historical,
17 replacement, or current value—of a physical asset
18 (excluding national monuments and land) financed
19 by the appropriation accounts for which the capital
20 budget required by this section applies;

21 “(16) ‘capital revenues’ means receipts of the
22 Federal Government derived from the repayment of
23 principal invested in financial assets, and taxes, col-
24 lections, and receipts dedicated by statute, for the
25 acquisition, construction, and rehabilitation of cap-

1 ital assets which relate to the activities, functions,
2 and programs represented by the capital budget;

3 “(17) ‘capital investments’ means expenditures
4 of the Federal Government, including those under
5 grants, contracts, and leases, which are for the ac-
6 quisition, construction, and rehabilitation of capital
7 assets;

8 “(18) ‘net capital investments’ means the
9 amount by which capital investments exceed the
10 asset consumption charge;

11 “(19) ‘capital financing requirements’ means
12 net capital investments plus or minus interfund
13 transfers;

14 “(20) ‘items not affecting funds’ means
15 noncash outlays of the Federal Government; and

16 “(21) ‘unified budget financing requirements’
17 means the total of the operating surplus/deficit and
18 the net capital financing requirements less items not
19 affecting funds.”.

20 **SEC. 4. CONFORMING AMENDMENTS.**

21 (a) DUTIES OF COMPTROLLER GENERAL.—Section
22 1112 of title 31, United States Code, is amended—

23 (1) in subsection (c)(1) by inserting “criteria,
24 principles, and standards for determining the con-
25 tents of the operating and capital budgets required

1 under section 1105a of this title and” after “includ-
2 ing”; and

3 (2) by adding at the end thereof the following
4 new subsection:

5 “(g) The Comptroller General shall review and report
6 to the Congress on the implementation of section 1105a
7 of this title as the Comptroller General deems necessary.
8 A review by the Comptroller General may include, but
9 need not be limited to, determining whether (1) the actual,
10 estimated, and proposed appropriations, receipts, and in-
11 vestments presented in the capital budget represent activi-
12 ties, functions, and programs which support the acquisi-
13 tion, construction, alteration, and rehabilitation of capital
14 assets, and (2) the classifications made by the Director
15 of the Office of Management and Budget under section
16 1105a(d)(2)(H) of this title further the purposes of sec-
17 tion 1105a.”.

18 (b) CHAPTER ANALYSIS.—The analysis for chapter
19 11 of such title is amended by inserting after the item
20 relating to section 1105 the following:

“1105a. Capital and operating budgets.”.

21 **SEC. 5. PUBLIC WORKS FINANCING INFORMATION.**

22 Title VII of the Public Works and Economic Develop-
23 ment Act of 1965 (42 U.S.C. 3211–3226) is amended by
24 adding at the end thereof the following new section:

1 **“SEC. 717. PUBLIC WORKS FINANCING INFORMATION.**

2 “(a) TRANSPORTATION REPORTS.—Not later than
3 12 months after the date of the enactment of the Federal
4 Budget Structure Act of 1995, and annually thereafter,
5 the Secretary of Transportation shall report to the House
6 Committee on Transportation and Infrastructure and the
7 Senate Committee on Environment and Public Works, at
8 the account, function, and agency levels, the actual, esti-
9 mated, and proposed appropriations, receipts, and expend-
10 itures for capital activities and operating activities associ-
11 ated with the following:

12 “(1) roadways and bridges;

13 “(2) airports and airway facilities; and

14 “(3) mass transportation systems.

15 “(b) WATER POLLUTION REPORTS.—Not later than
16 12 months after the date of the enactment of the Federal
17 Budget Structure Act of 1995, and annually thereafter,
18 the Administrator of the Environmental Protection Agen-
19 cy shall report to the House Committee on Transportation
20 and Infrastructure and the Senate Committee on Environ-
21 ment and Public Works, at the account and function lev-
22 els, the actual, estimated, and proposed appropriations, re-
23 cepts, and expenditures for capital activities and operat-
24 ing activities associated with waste water treatment and
25 related facilities.

1 “(c) WATER RESOURCES REPORTS.—Not later than
2 12 months after the date of the enactment of the Federal
3 Budget Structure Act of 1995, and annually thereafter,
4 the Assistant Secretary of the Army for Civil Works shall
5 report to the House Committee on Transportation and In-
6 frastructure and the Senate Committee on Environment
7 and Public Works, at the account and function levels, the
8 actual, estimated, and proposed appropriations, receipts,
9 and expenditures for capital activities and operating ac-
10 tivities associated with water resource projects.

11 “(d) PUBLIC BUILDINGS REPORTS.—Not later than
12 12 months after the date of the enactment of the Federal
13 Budget Structure Act of 1995, and annually thereafter,
14 the Administrator of the General Services Administration
15 shall report to the House Committee on Transportation
16 and Infrastructure and the Senate Committee on Environ-
17 ment and Public Works, at the account and function lev-
18 els, the actual, estimated, and proposed appropriations, re-
19 cepts, and expenditures for capital activities and operat-
20 ing activities associated with public buildings.”.

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